MINISTER FOR RESOURCES

TL1233

ALAN GRIFFITHS MP

MEDIA RELEASE

PIE91/52G

10 February 1991

MINISTER RETURNS FROM INAUGURAL TIMOR GAP MINISTERIAL COUNCIL MEETING IN INDONESIA

The Federal Minister for Resources, Mr Alan Griffiths, today returned to Australia after attending, together with the Foreign Affairs and Trade Minister, Senator Gareth Evans, the landmark meeting of the Timor Gap Zone of Cooperation Treaty Ministerial Council.

Mr Griffiths and Senator Evans met with their respective Indonesian counterparts, His Excellency, the Minister of Mines and Energy, Mr Ginanjar Kartasasmita, and His Excellency, the Minister for Foreign Affairs, Mr Ali Alatas of the Republic of Indonesia.

The inaugural meeting coincided with the Timor Gap Treaty entering into force, and marked the opportunity for a bilateral program with Indonesia to develop petroleum resources in the Timor Gap area.

"This is a first in international relations where two countries have actually shared a resource rather than simply divided the source into components," Mr Griffiths said.

"The issues have been very complex. But we now have in place a substantive regime to promote the exploration and development of petroleum resources in Area A of the Zone of Cooperation."

With the joint activities in operation, petroleum exploration activity can be expected to commence with seismic surveys being undertaken for prospective bidders for contract areas.

Award of production share contracts can be expected in December 1991. Exploration drilling might then commence in 1992 or 1993.

In addition, Mr Griffiths said: "With the Treaty having entered into force, I now propose to release exploration areas in Area B in May this year."

In keeping with the Treaty obligations, Mr Griffiths will write the Indonesian Energy Minister, Mr Ginandjar, regarding Area B within the next few weeks.

In order to best protect the environment, Mr Griffiths was instrumental last year in amending the Treaty to hold contract operators to strict environmental obligations, unless given specific Ministerial Council consideration.

"Contract operators will be responsible for developing environmental management plans to articulate clear operational procedures to ensure the environment is adequately protected."

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Mr Griffiths said: "Entry into force of the Treaty marks the end of a protracted period of negotiations between Australia and Indonesia, and is a landmark achievement in putting in place an innovative and comprehensive set of joint arrangements for developments in disputed offshore areas.

"The joint development with Indonesia will offer potentially increased oil security.

It also offers the prospect of employment and participation by Australians in substantial oil development in which Darwin will play an important role."

The Joint Authority established under the Treaty is to have its Technical Directorate in Darwin and will be responsible for the day to day management of petroleum operations in Area A of the Zone of Cooperation, the area of joint Australian/Indonesian Development.

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